

DRAFT

AGENDA ITEM #2909

WATER/ABJ/RKN:jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

Water Branch

RESOLUTION NO. W-4438

November 13, 2003

R E S O L U T I O N

(RES. W-4438), DEL ORO WATER COMPANY, LIME SADDLE DISTRICT (DOWCLS). ORDER AUTHORIZING A RATE INCREASE PRODUCING \$6,540 OR 2.8 % IN ADDITIONAL ANNUAL REVENUE DUE TO AN INCREASE IN PURCHASED POWER COSTS.

SUMMARY

By Advice Letter 119, dated May 12, 2003, DOWCLS seeks to increase rates producing an increase in annual revenue of \$11,362 or 4.4% to recover increases in purchased power costs assessed by Pacific Gas & Electric Co. (PG&E). This rate increase will not result in a rate of return greater than last authorized for DOWCLS.

BACKGROUND

DOWCLS presently serves approximately 454 customers (300 metered customers) in an area west of Lake Oroville and south of the town of Paradise, Butte County.

DOWCLS requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to adjust rates to offset increases in its purchased power costs.

The most recent purchased power increases assessed by PG&E were approved by the California Public Utilities Commission pursuant to Decision (D.) Nos. 02-12-082 and 03-01-037, dated April 1, 2003, and January 16, 2003, respectively. DOWCLS seeks to increase its water rates producing an increase in annual revenue of \$11,362 or 4.4% to offset the increases in purchased power costs. DOWCLS' present rates became effective on February 14, 2003, pursuant to Commission D.03-01-076, which granted the utility authority to assess a monthly

DRAFT

Resolution W-4438

November 13, 2003

DOWCLS/AL 119/ABJ/RKN:jlj

surcharge to each customer to repay principle and interest on a loan for costs associated with a California Environmental Quality Assurance (CEQA) review of a regional capital project. DOWCLS' last general rate increase was authorized pursuant to Commission Res. No. W-4302, dated October 25, 2001, which authorized an increase in annual revenue of \$25,357 or 12.18%.

DISCUSSION

DOWCLS is requesting an increase in annual revenue of \$11,362 or 4.4%. The Water Division staff (Division) reviewed DOWCLS' request and has determined that only a \$6,540 or 2.8% increase in annual revenue is necessary to offset the PG&E increases.

The increases in DOWCLS' purchased power costs are directly related to water consumption, therefore, the associated rate increase shall be applied to quantity rates. In order to recover the higher costs, DOWCLS should increase its quantity charge by \$0.10/1,000 gallons. The monthly bill (ignoring surcharges) for an average residential customer utilizing 10,000 gallons of water would increase by \$1.00 from \$39.18 to \$40.18 or 2.6%.

NOTICE AND PROTESTS

Notice of the proposed rate increase was published in "The Paradise Post" on May 17, 2003. The Division received no letters objecting to the increase.

FINDINGS

1. PG&E has recently been authorized by the Commission to raise rates for purchased power.
2. DOWCLS filed Advice Letter 119 requesting to recover \$11,362 or 4.4% in annual revenue to offset the increased purchased power rates.
3. Water Division investigation determined that an increase in total revenue of \$6,540 or 2.8% is justified to offset increases in purchased power.
4. DOWCLS should be authorized to file a supplement to Advice Letter No. 119 incorporating the revised rate schedule No. LS-1A, Annual General Metered

DRAFT

Resolution W-4438

November 13, 2003

DOWCLS/AL 119/ABJ/RKN:jlj

Service, attached to this resolution as Appendix A, to recover \$6,540 or 2.8 % in annual revenue to offset increases in purchased power.

THEREFORE IT IS ORDERED THAT:

1. Del Oro Water Company, Lime Saddle District, is authorized to file a supplement to Advice Letter No. 119 incorporating the revised rate schedule attached to this resolution as Appendix A and to concurrently cancel its presently effective rate Schedule No. LS-1A, Annual General Metered Service. The effective date of the revised schedule shall be five days after the date of filing.
2. Del Oro Water Company, Lime Saddle District, is directed to maintain a balancing account as required by Public Utilities Code Section 792.5.
3. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on November 13, 2003; the following Commissioners voting favorably thereon:

WILLIAM AHERN
Executive Director

DRAFT

Resolution W-4438
DOWCLS/AL 119/ABJ/RKN:jlj

November 13, 2003

APPENDIX A

Schedule No. LS-1A

ANNUAL GENERAL METERED SERVICE
LIME SADDLE DISTRICT

APPLICABILITY

Applicable to all metered water service furnished on an annual basis to the Lime Saddle District Service Area.

TERRITORY

All territory served by Del Oro Water Company, Inc. in the area known as Lime Saddle Community Services District, located south of the Town of Paradise and north of Highway 70, Butte County.

RATES

Quantity Rate:

| | | | |
|---|----|------|-----|
| For all water, per 1,000 gallons | \$ | 2.26 | (I) |
| ¹ Purchased Water Surcharge, per 1,000 gallons | \$ | 0.24 | |

| | |
|-------------------------------|----------------------------|
| ³ CEQA Surcharge: | <u>Per Meter Per Month</u> |
| For 5/8 x 3/4-inch meter..... | \$ 0.77 |
| For 3/4-inch meter | 1.16 |
| For 1-inch meter..... | 1.94 |
| For 1-1/2-inch meter..... | 3.87 |
| For 2-inch meter..... | 6.20 |
| For 3-inch meter..... | 11.62 |
| For 4-inch meter..... | 19.37 |
| For 6-inch meter..... | 38.50 |

⁴Annual Service Charge:

| | |
|---------------------------------------|-----------|
| ² For all meter sizes..... | \$ 211.00 |
|---------------------------------------|-----------|

¹Purchased Water Surcharge should be collected from November 1, 2001 through October 31, 2003.

²Additional units are in accordance with Special Condition Four.

³The monthly surcharge is specifically for the repayment of the Environmental Clearance loan authorized by Decision No.03-01-076. The monthly surcharge rates are subject to periodic adjustment.

⁴The Service Charge is a readiness-to-serve charge, which is applicable to all metered water service and to which is added to the charge for water used computed at the Quantity Rate.

(continued)